



First Quarter 2011 Marketing Report City of Branson Board of Aldermen

The Branson/Lakes Area Convention & Visitors Bureau

May 24, 2011

Today's Presentation



- **2011 Travel Industry Review**
- **Q1 2011 Branson Update**
- **2011 Marketing Review**



Travel Industry Overview



Travel Industry Overview

- Industry revenue increases have turned positive, particularly in those sectors where both demand and pricing have risen simultaneously. In the lodging sector, STR data show that with both increases in ADRs (+3.1%) and occupancy (+5.7%), room revenue rose by 10.0% in the first quarter.
- Airline revenues are up nearly the same amount. Traffic strength and price increases have been sizable. The cruise lines have been gearing up to increase capacity in various regions, including Alaska.

Travel Industry Overview

- The U.S. **luxury lodging segment** achieved the largest increases in all three key performance measurements during March 2011. The segment's occupancy rose 7.1% to 74%, its average daily rate was up 6.6% to \$262.44 (U.S.), and its revenue per available room increased 14.2% to \$194.28.
- Experts believe that this summer will be a continuation of industry-wide rate recovery and the tempering of consumers' expectations for heavily discounted hotel rooms.

Travel Industry Overview

- Year-over-year demand is expected to rise 2.5% compared with an 8.6% increase in summer 2010. Supply is predicted to increase 0.8% and revenue for this summer is forecast to increase 6.7% compared with the 10.1% increase reported for summer 2010.
- Signs of recovery are appearing in some economic forecasts as well as in the forward guidance statements from travel industry sectors. For both the economy and travel, the peak-to-trough cycle involves multiple stages: the free-fall, lesser rates of decline, a bottoming-out, recovery and finally renewed growth. The economy and the travel industry appear to now have moved out of the third stage and into the fourth, recovery stage.

Travel Industry Overview

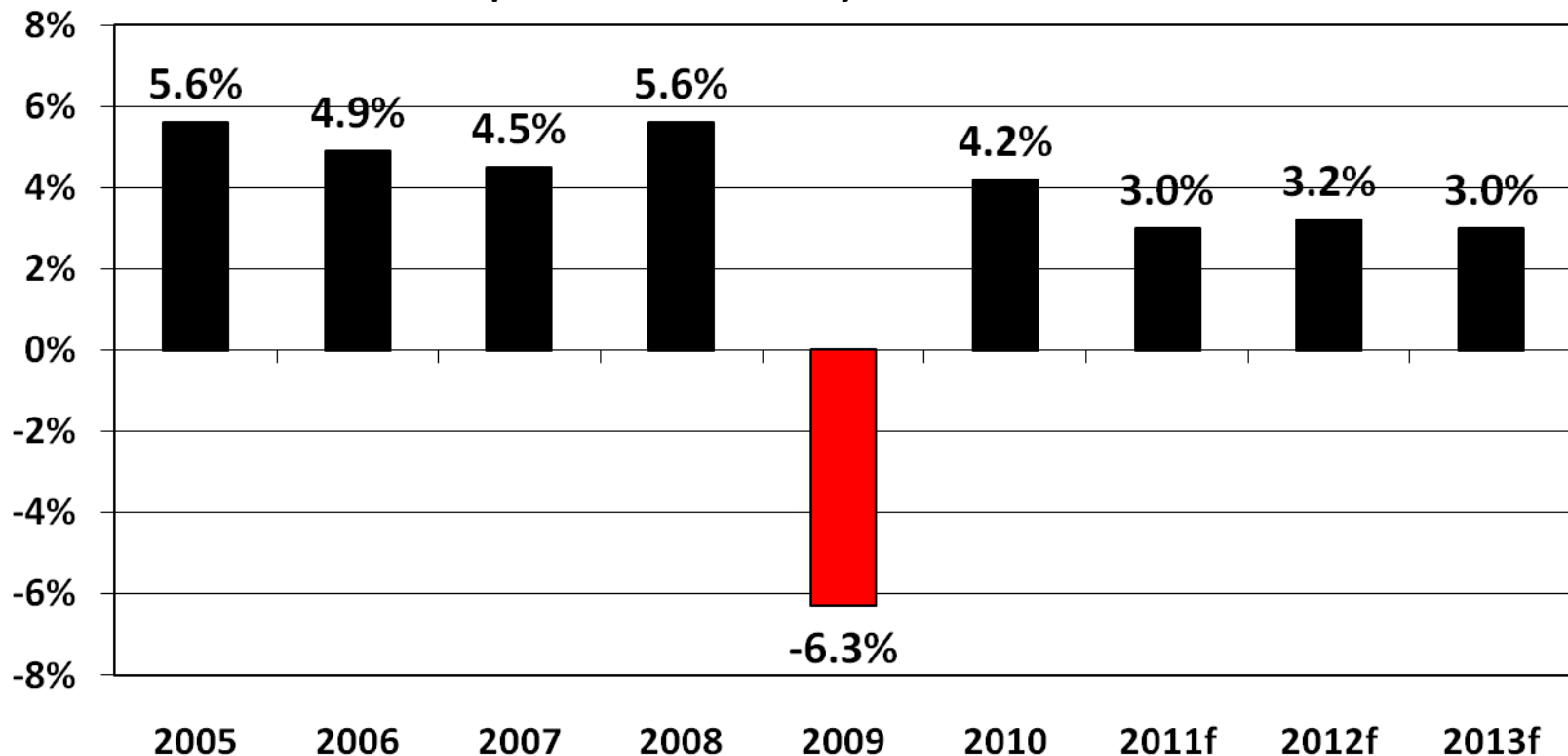
- Noted travel industry analyst Brian London believes there are four factors worth noting regarding our current economy: 1) Weather concerns including recent tornadoes, floods and prolonged drought in the Southwest. 2) Inflation realities that \$4/gallon gas prices in many parts of the country have wiped out much of the boost that a payroll tax cut gave to consumer spending. 3) Housing continues its backlog of foreclosures, keeping the industry on the sidelines, perhaps indefinitely and 4) Confidence in both consumer and business circles are shaken by a series of global events including earthquakes and Middle East turmoil.

Travel Industry Overview

- Soaring fuel prices and rising passenger demand will make summer travel to international destinations costlier by 15% to 20% from a year earlier. Crude oil prices have been hovering near two-and-a-half-year high of \$122 a barrel due to the West Asia crisis, pushing jet fuel prices up by over 30% worldwide. This has forced international airlines to increase a fuel surcharge, an extra amount added to an airfare to cover increased fuel costs. The surcharge has risen by up to 25% in the past couple of months, according to travel industry experts.

Travel Price Index

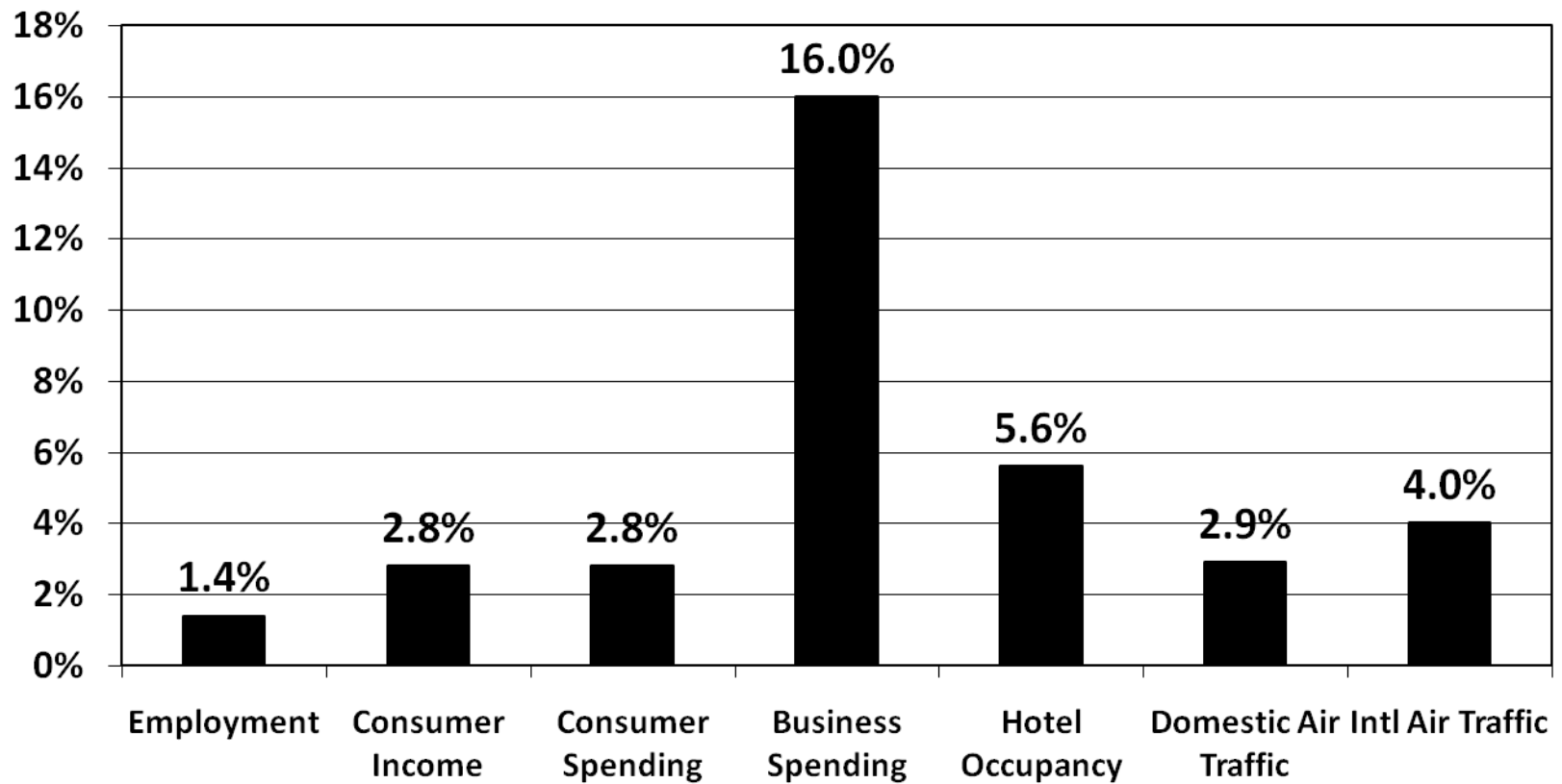
After posting a significant 6.3% decrease in 2009, travel prices rebounded in 2010 by 4.3% and are expected to increase by another 3.0% in 2011.



2011

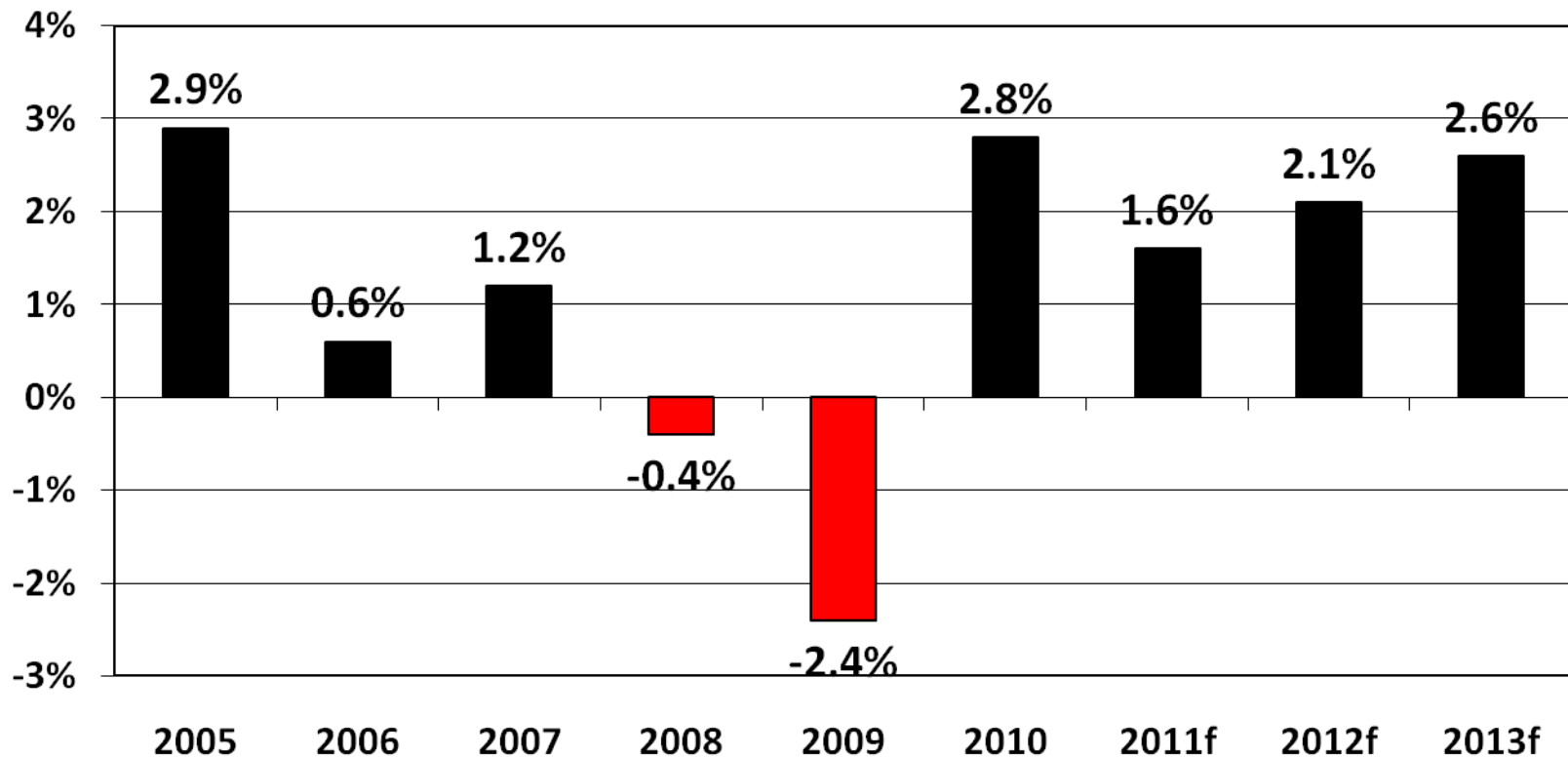
U.S. Travel Performance Indicators

Most travel indicators are starting to look up, especially business spending.



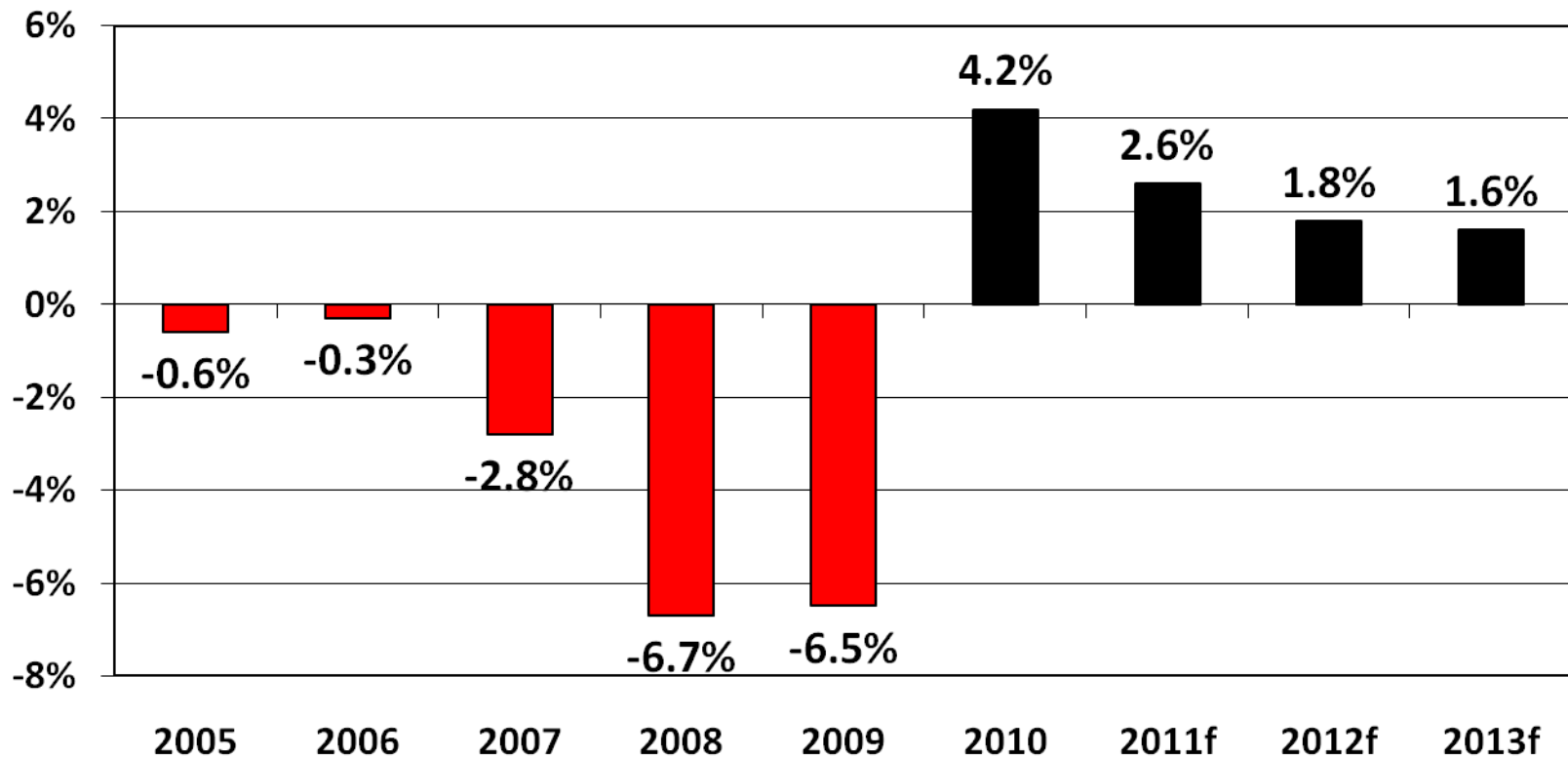
Leisure Travel/Forecast Summary

According to the USTA, U.S. leisure trips to fell in both 2008 and 2009, but rebounded by 2.8% in 2010 and are expected to grow moderately (+1.6%) in 2011.



Business Travel/Forecast Summary

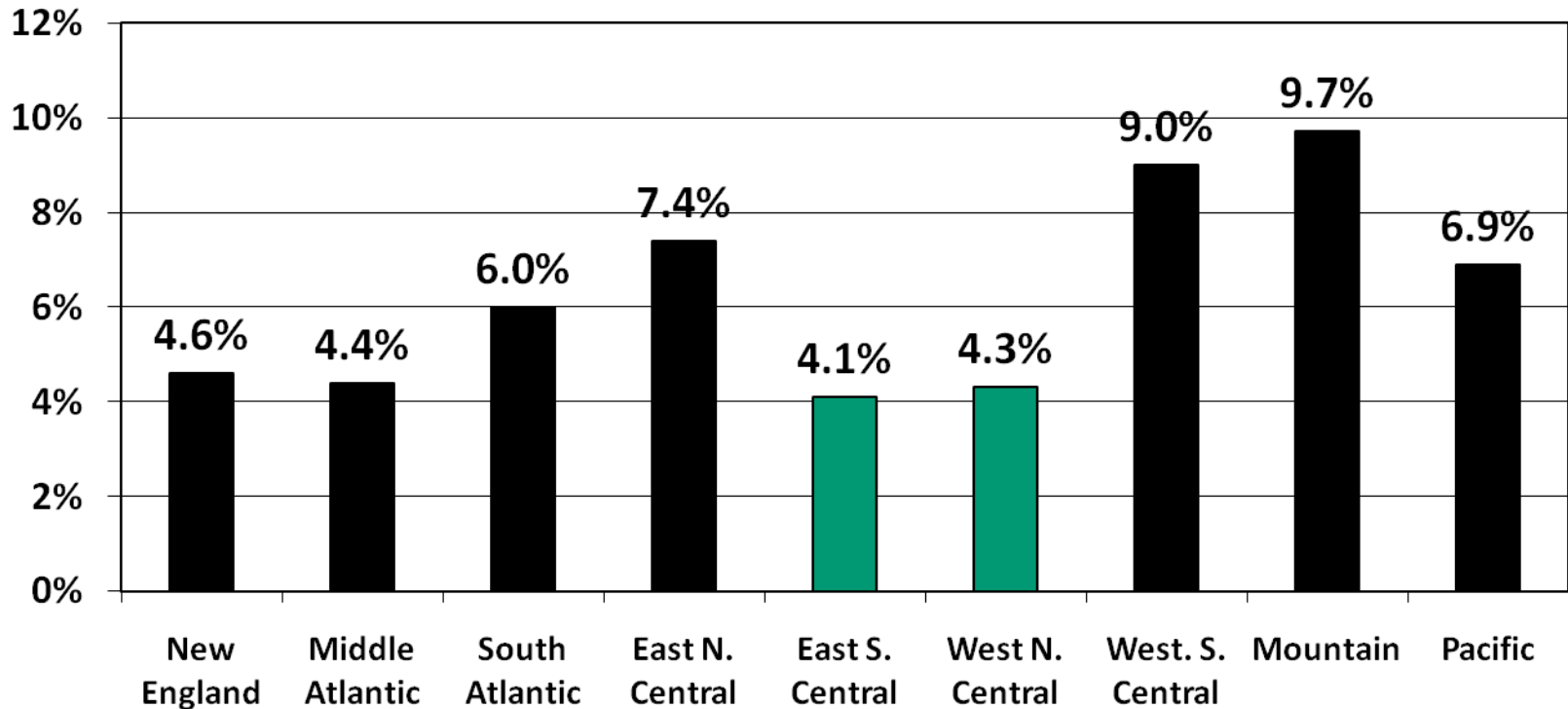
U.S. business trips had fallen each year from 2005 through 2009, but rebounded by 4.2% in 2010 and are expected to continue to outpace leisure travel growth by posting a projected 2.6% increase in 2011.



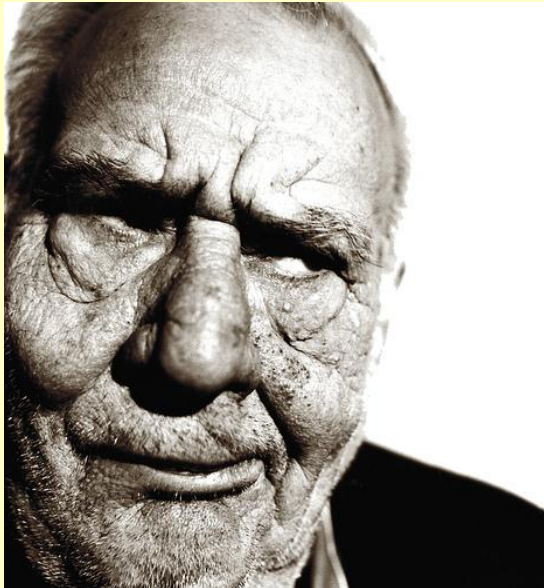
STR Room Demand

YTD through March

The center of the country where Branson is located (East South Central and West North Central) grew at a slower pace than the rest of the country during the first quarter of 2011.

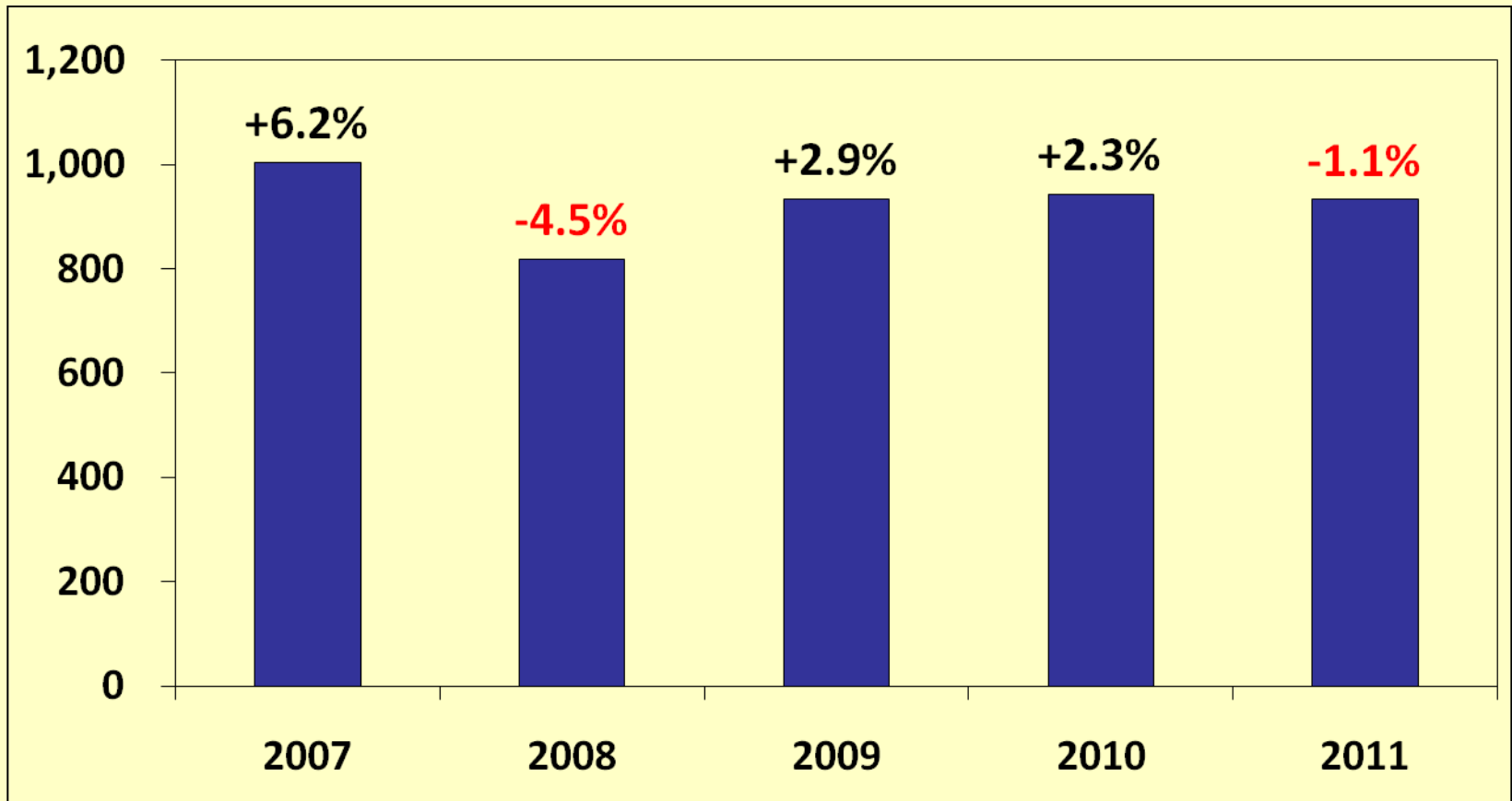


Branson Update



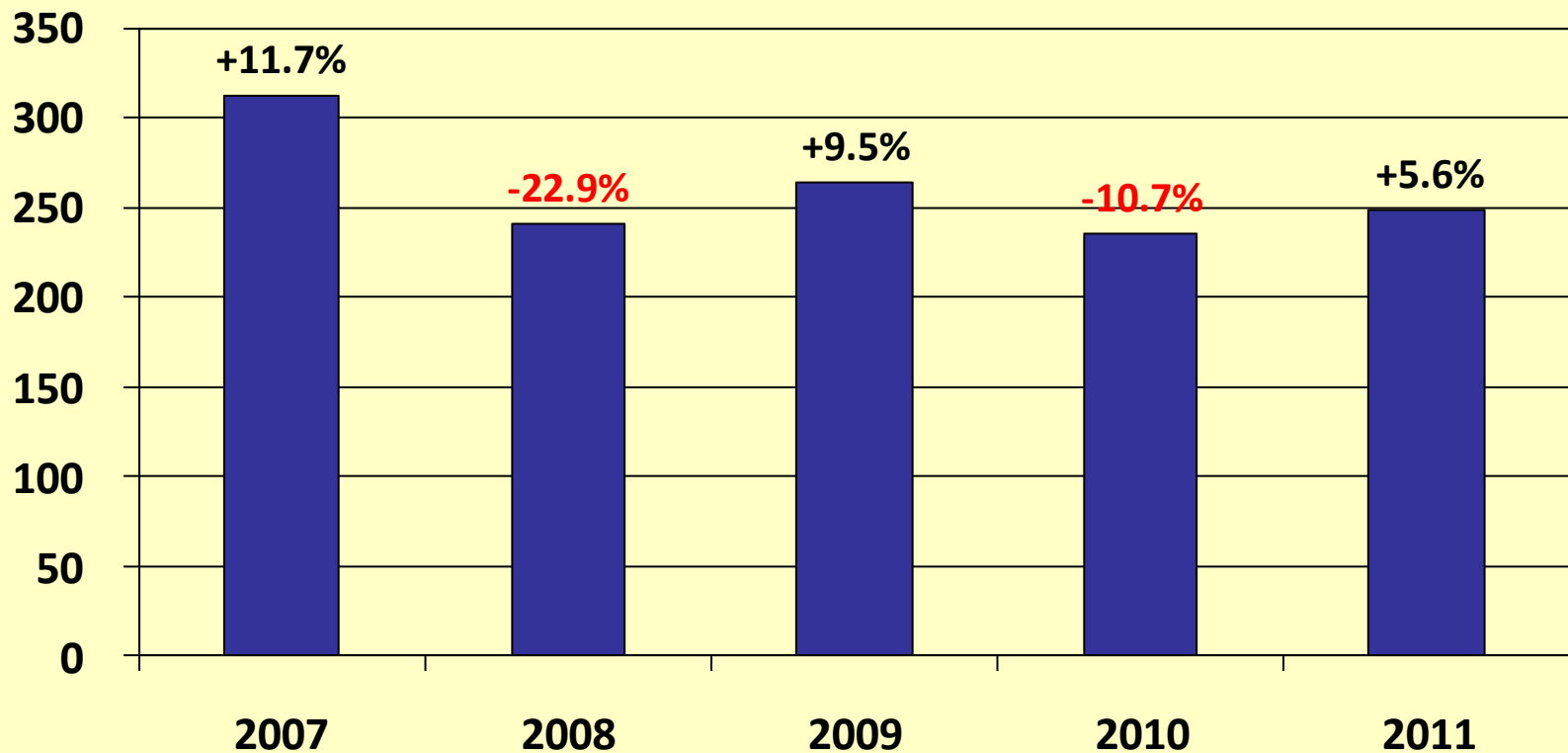
First Quarter 2011
performance
update

Branson Visitation First Quarter 2007-2011



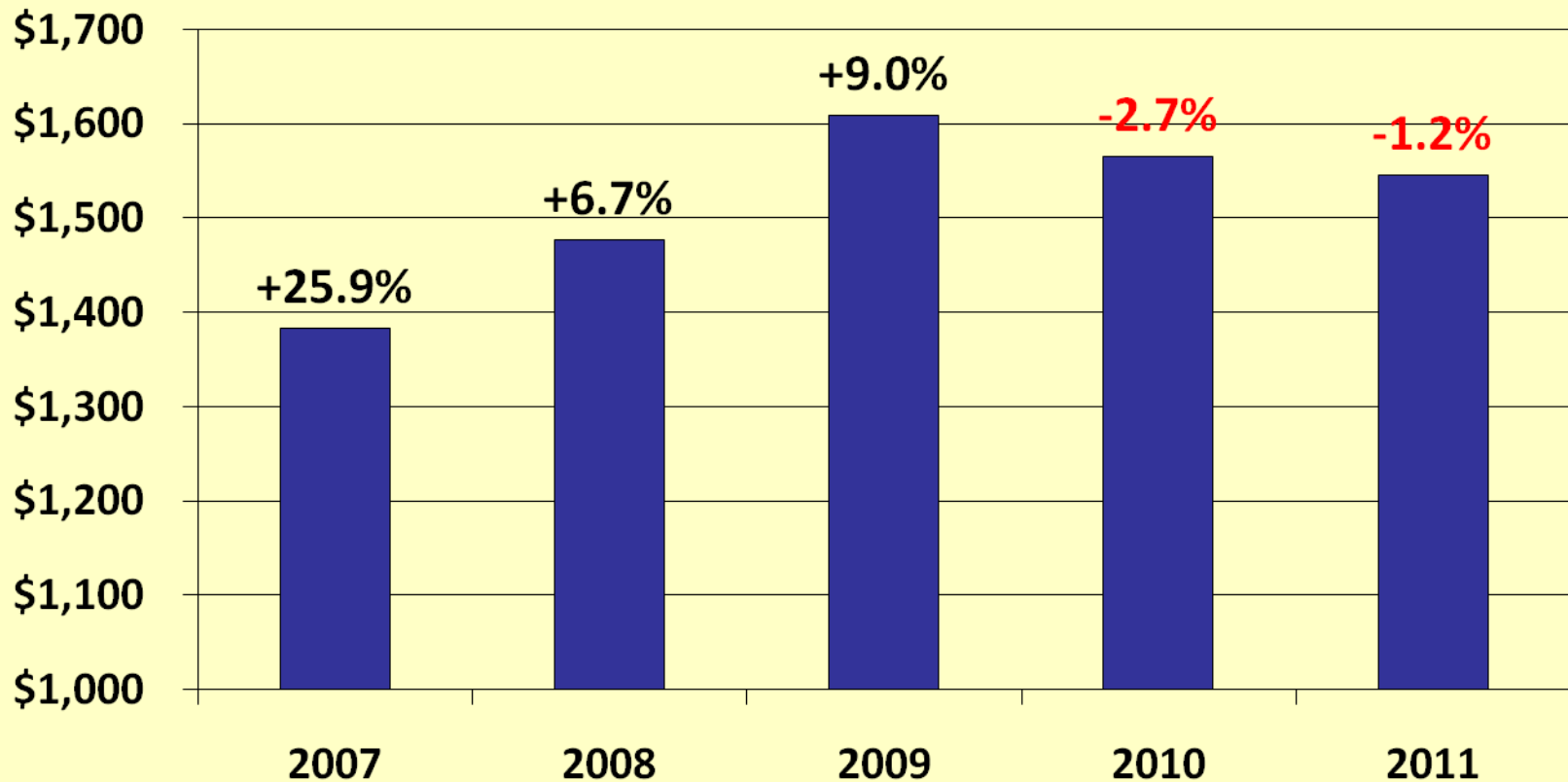
Source: City of Branson

Branson Room Demand First Quarter 2007-2011



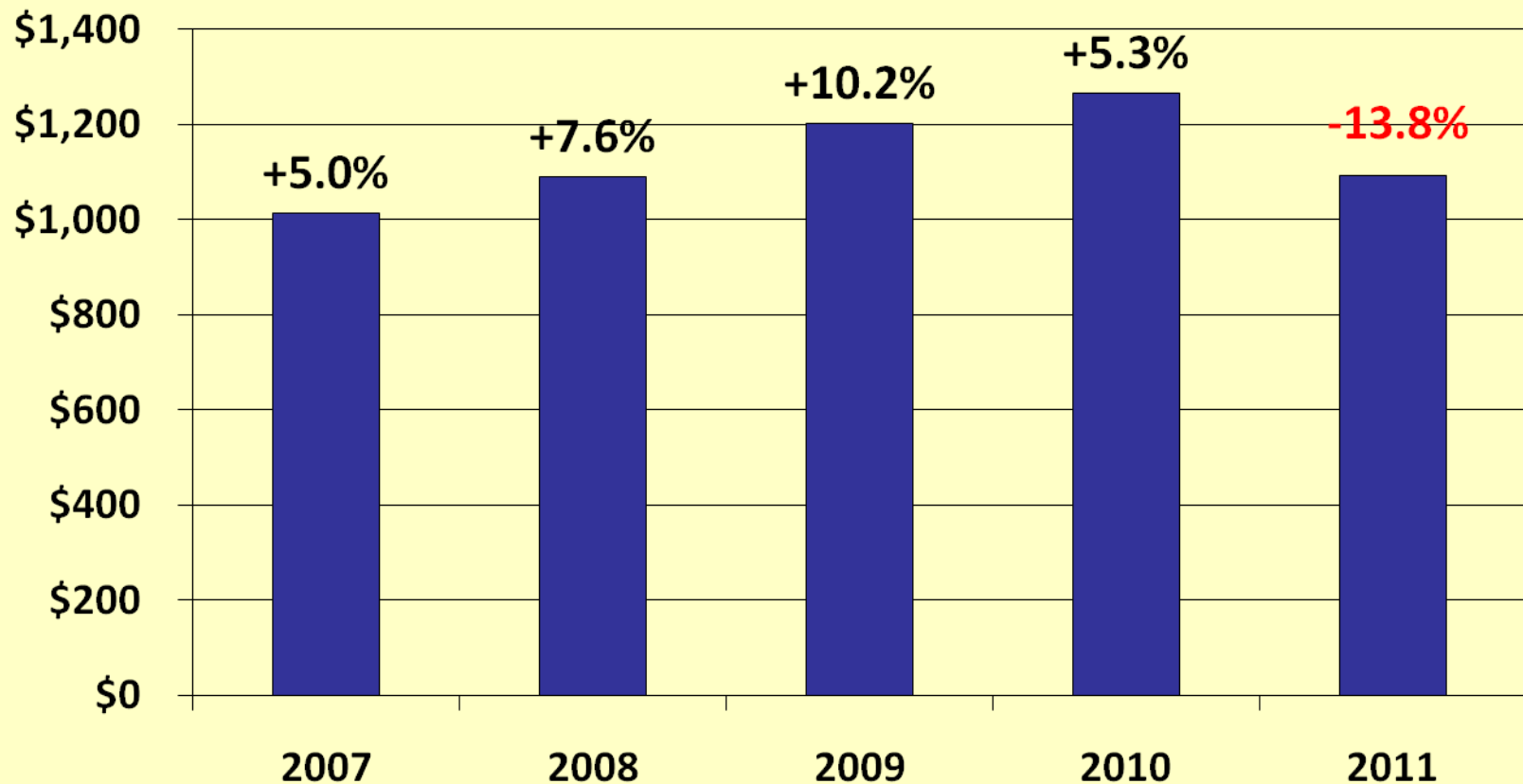
Source: Smith Travel Research

City of Branson Sales Tax First Quarter 2007-2011



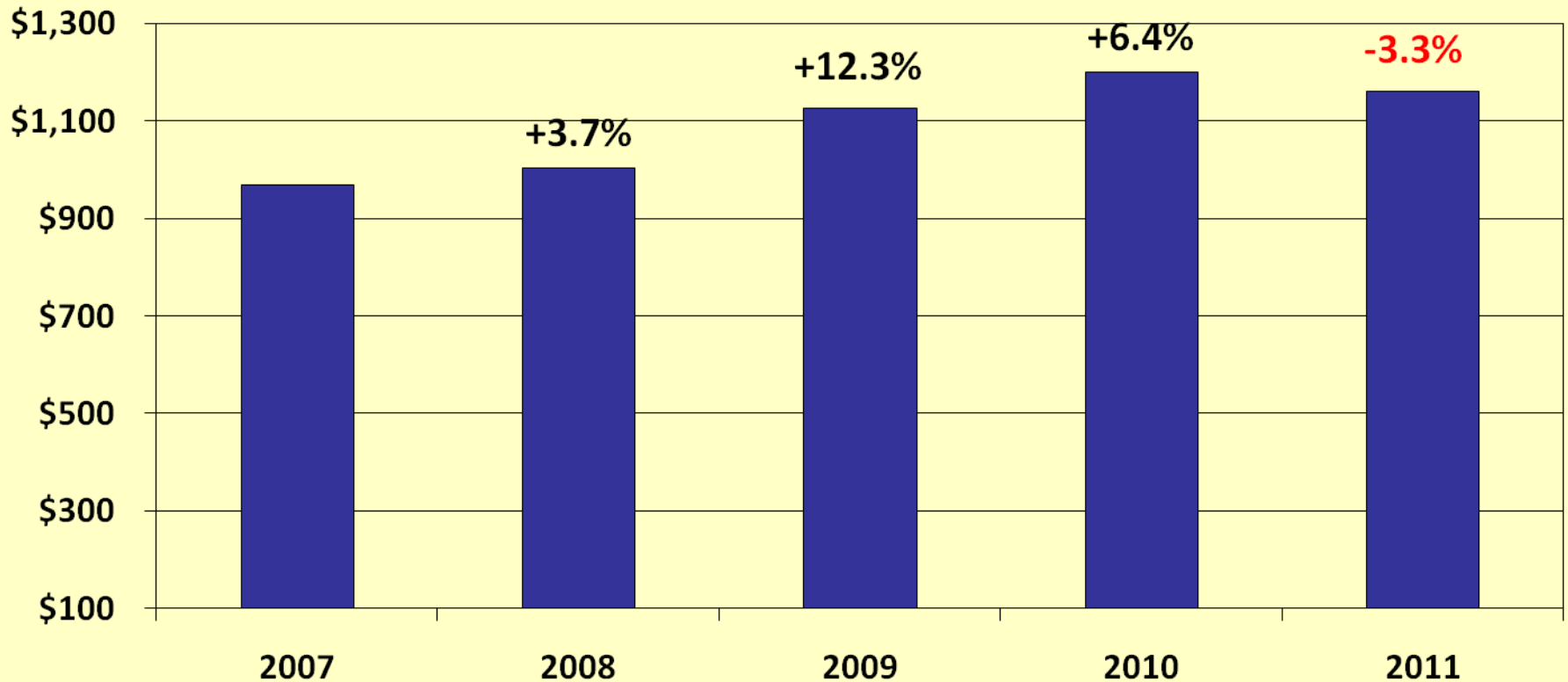
Source: City of Branson

City of Branson Tourism Tax First Quarter 2007-2011



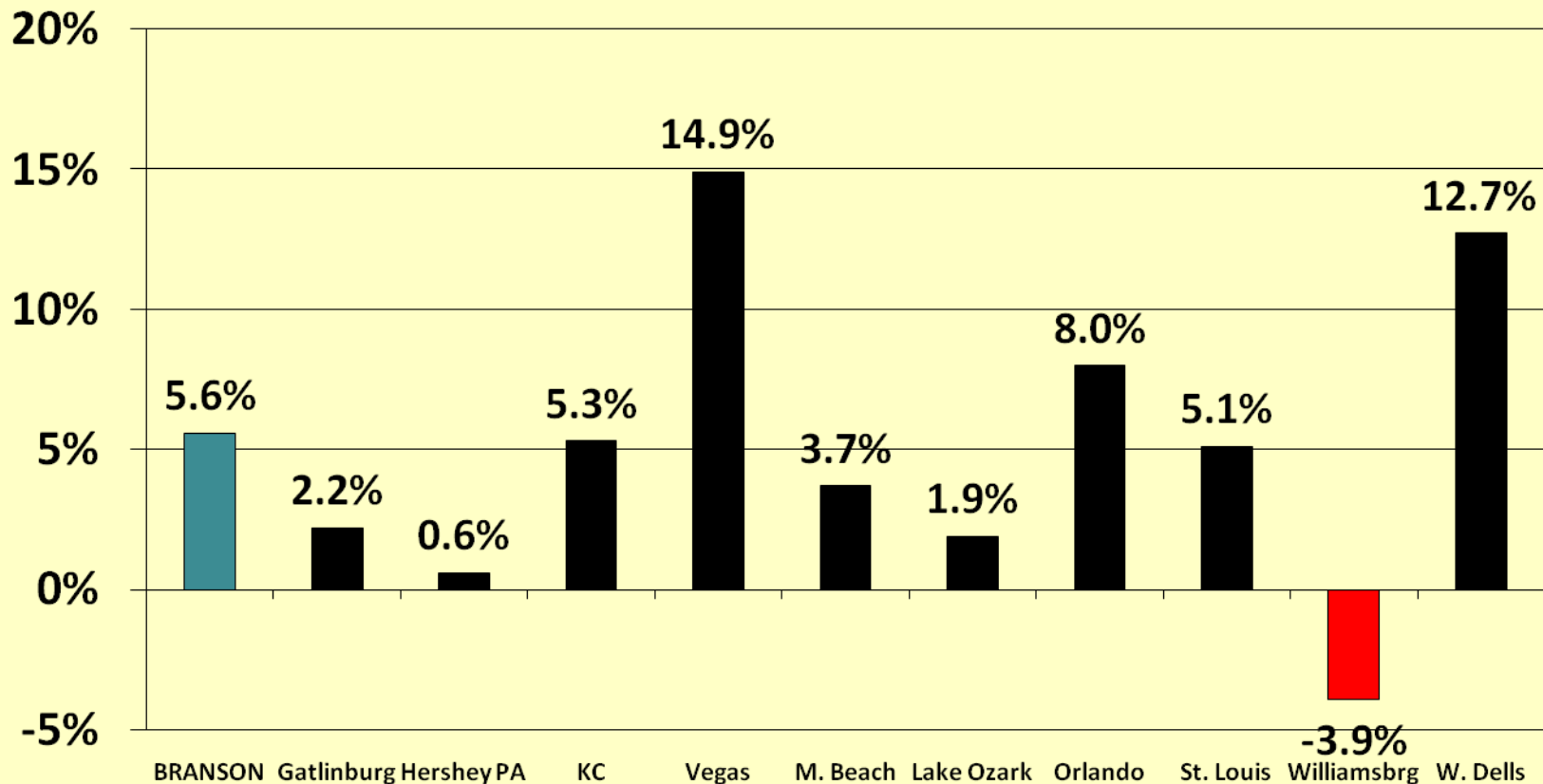
Source: City of Branson

TCED Tourism Tax First Quarter 2007-2011



Source: TCED

Direct Competitors First Quarter Room Demand



Source: Smith Travel Research

Observations



First quarter reports are subject to more fluctuation than those given later in the year, given small sample sizes and unpredictable weather effects.



Observations



In addition, this year modified tax collection due dates skewed some December 2010 and January 2011 figures, with a disproportionate effect on 1st Quarter 2011, e.g., January TCED tax was <35.5%>, but February was +8.92% and March +23.47%, for a YTD figure of <3.3%>. Similarly, January City Tourism tax was <48.5%>, February was <38.5%> but March was +37.66%, for a YTD figure of <13.7%>...

Observations



First quarter visitation may also have been negatively impacted by a series of global events that shook consumer confidence and sent gasoline prices soaring. Given the tenuous state of the economic recovery, the sudden spikes in gasoline and food prices were of great concern to consumers. They reacted, at least temporarily, by putting the brakes on their travel, travel planning and household spending.

Observations



The hope is that gasoline prices have neared their peak and will soon begin to retreat as the government has forecasted. We believe that a decrease of even 25 cents at the pump will alleviate growing fears of runaway gasoline prices and stabilize near-term tourism prospects. While much depends upon macro-environmental issues that are well beyond our control, **we continue to believe that Branson's 2011 visitation will grow by at least 2.0% this year, and will ultimately outpace U.S. leisure travel growth nationwide.**

Branson 1st Quarter 2011



What else do we
know about
2011?

YTD March 2011 vs. March 2010



	<u>2011</u>	<u>2010</u>
• Spending per Party	\$703.26	\$691.73
• First-Time Visitors	19.3%	19.6%
• Families	36.8%	35.5%
• Average Adult Age	53.1 yrs.	56.9yrs.
• Decision to Visit	42.4 days	65.6 days

First Qtr. Visitation by Market

(Early Results – Will moderate over time)



<u>% of Visitors</u>	<u>Market</u>	<u>vs. 2010</u>
25.5%	Core Markets (0-100 mi.)	-5.0%
34.5%	Primary Markets (101-300 mi.)	+63.0%
20.8%	Outer Markets (301-650 mi.)	-13.0%
19.3%	National Markets (650+ mi.)	-31%
<i>TOTAL VISITATION</i>		<i>-1.1%</i>



First Qtr. Visitation by Market (APRIL RESULTS)



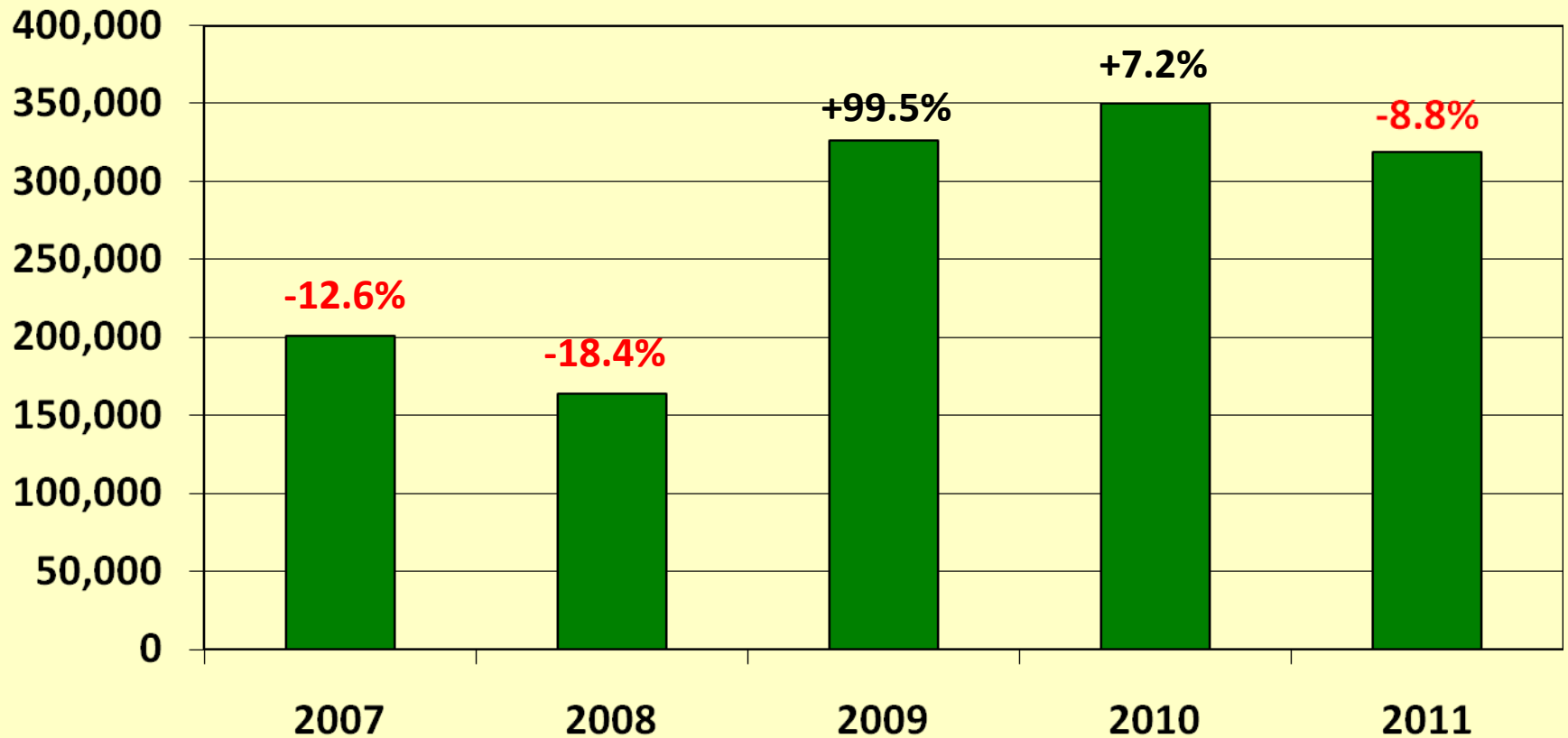
<u>% of Visitors</u>	<u>Market</u>	<u>vs. 2010</u>
27.9%	Core Markets (0-100 mi.)	+18.0%
27.5%	Primary Markets (101-300 mi.)	+25.0%
20.1%	Outer Markets (301-650 mi.)	-20.0%
24.5%	National Markets (650+ mi.)	-23%

TOTAL VISITATION THRU APRIL

TBD



Web Inquiries First Quarter 2007-2011



2011 Journalist FAMS



May 3-8: Golf FAM

June 15-19: Geiger FAM

June 23-26: Mommy Bloggers FAM

Sept. 15-18: Fall in the Ozarks FAM

***Oct. 5-8: Southeastern Outdoor
Press Assoc. conference***

***Nov. 3-6 and Nov. 10-13:
Christmas FAMs***

- **Individual Fams by request**



2011 TripAdvisor Award Announced



NEWTON, Mass., March 8, 2011 /PRNewswire/ --

TripAdvisor®, the world's largest travel site, today announced the winners of its inaugural 2011 Travelers' Choice® Family award-winning best family destinations in the U.S., Europe, Canada, Caribbean and Mexico. Winning destinations were identified based on the greatest number of recommendations from reviewers who traveled with family. Unlike any other honors, TripAdvisor Travelers' Choice winners are based on millions of real and unbiased reviews and opinions from travelers around the world...

Top Ten Trip Advisor Family Great Destinations to Discover – Branson, MO is #5!

Branson Media Strategy




- **NATIONAL (Cable TV, Web, PR):** Create/maintain broad demand for Branson brand as *national* destination – *covers all DMA's in the U.S.*
- **PRIMARY MARKETS (TV, Radio, Web, Print, PR):** Maintain/create demand in *regional* drive markets – Kansas City, St. Louis, Little Rock, Tulsa, Ft. Smith, Oklahoma City
- **CORE MARKETS (TV, Radio, Web, Print, PR):** Encourage *local* visitation during Ozark Mountain Christmas/Winter – Springfield and Joplin
- **OPPORTUNITY MARKETS:** Respond specifically to current economic and industry trends

2011 Branson Media Strategy



2011 OPPORTUNITY MARKETS:

- (1) Specifically, target additional spot television in 6 markets between 300-650 miles identified by 2010 Branson Potential Market Study by H2R Market Research**
- (2) Participate in co-op television/radio project to promote both drive and air visitation from the Chicago and Houston DMA's in conjunction with announcement of non-stop AirTran service directly into Branson**

	Interest in Visiting	% Have Visited	Opinion of Branson	% NV Would Consider	MARKET SCORE
				2	
Wichita	64.1%	32.9%	73.5%	83.7%	133.9
Peoria	52.1%	22.1%	51.0%	72.6%	131.6
Wichita Falls	56.2%	17.5%	54.4%	68.2%	107.7
Lincoln	47.6%	20.5%	60.7%	87.6%	91.8
Oklahoma City	50.7%	30.1%	53.6%	80.4%	77.1
Shreveport	52.4%	20.9%	60.5%	80.0%	69.1
Omaha	38.8%	25.3%	50.6%	70.3%	64.2
Dallas	42.6%	17.5%	52.3%	73.2%	63.4
Tyler TX	43.4%	18.1%	52.4%	81.4%	52.1
Test 27 Markets	37.9%	12.8%	42.1%	66.6%	25.9
AVERAGE Core 7 Markets	63.5%	55.1%	74.2%	83.8%	454.5

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2011 Creative Agency Update



**18 creative agencies
responded to national RFP;
4 agencies have been
selected to make
presentations in Branson in
mid-June.**

**Successful agency will execute
our brand strategy across
television, radio, print, web,
outdoor and publications.**





2011 Branding Update

Our updated brand strategy is to more clearly position Branson as a *wholesome, intimate and authentic alternative to Las Vegas, Orlando and other tourism destinations* in order to appeal to Boomer couples, younger adults and families (by season -- Spring Break and Summer).





2011: Building up to the Branson position

bonding

wholesome

intimate

variety

welcoming

fun

entertainment
that brings us
together

2011 Strategic Plan



Execute strong brand strategy with Sterling Group (brand image), Camelot Communications (media), MMG Worldwide (web), and new creative agency (RFP) to drive new visitation to the Branson/Lakes area.



A scenic view of a large blue lake with forested hills in the background and a rocky shoreline with trees in the foreground.

Thank you.